NBA All-Star Technology Summit

Friday, February 17, 2023
Salt Lake City, Utah, USA

Commissioner Adam Silver

Opening Remarks

(Applause.)

COMMISSIONER ADAM SILVER: Thank you. Thank you very much. Good morning. Welcome to Salt Lake City and for our All-Star festivities.

For those of you who have been with us for a long time, this is now the 23rd year of this Tech Summit. And interestingly enough, we started it when we had the All-Star in the Bay Area 23 years ago, of course, in Silicon Valley.

And what's so interesting, you're going to be hearing from Ryan Smith later this morning, this area has become to be known as the Silicon Slopes because of the technology focus here, because of how fast-growing the economy is. And you'll be hearing a lot more from Ryan on that.

I thought, though, it was worth, before we got into the panels today, talking a little bit about some of the changes we've seen in the media landscape over the last 20 years. So here's a little bit of information just to sort of set the stage here.

First you have, in terms of total households, it's really the same as total TV households in the U.S., see, there's been significant population growth in the last 20 years or so. So now there's 124 million households that are available for us to reach.

So much discussion these days about what's happening with cable and satellite. So roughly 20 years ago we were in 90 million homes in ESPN and TNT. Been a dramatic drop, particularly, over the last few years in traditional cable and satellite. So as you see now, that's down to 60 million.

But what doesn't get as much discussion is the new virtual world of bundling, for example, Hulu + Live or YouTube TV, which is now adding and is growing another 17 million

So we're not quite there yet where people are writing off

that form of distribution, and so it's still reaching roughly 75 million homes in the United States and still an important part of our business, but then there's some additional headwinds.
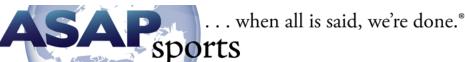
For example, we have a particular young sport. Average age of our fan is around 32. When we did those deals, when we initially did those deals back two, three decades ago, average age was in the early 40s, climbed a little bit to about 45, but now jumped to today where the average viewer on those systems is 61 years old. So obviously an issue if your average age of your fan is 32.

So then comes the advent of streaming services, which we're going to be talking a lot about this morning. Jump ahead to today where now 113 million homes in the United States have at least one streaming service available. And interestingly enough, because streaming services are much more representative of the country as a whole, not surprisingly the age looks much more like the average age of an American, which is around 39. So it's almost precisely that.

So what our reaction to this has been, again, we're still very focused on the traditional means of distribution of our games, and the vast bulk of our fans are still receiving their games that way, at the same time, there's enormous opportunity. So you have roughly 124 million homes, and then 75 million are receiving traditional cable and satellite. You have 50 million unserved homes in the United States in terms of our traditional means of reaching them.

So that's enormous opportunity just in reach, but then probably as important or maybe more important is the ability, through these new streaming services, through digital means, to present our games in ways we could not historically.

Again, the historical way is that you have, in essence, a producer or director who's making decisions for all viewers. What we now have the opportunity to do, and we're seeing a little bit of it now, people are experimenting, is to personalize and customize telecasts in a way where you can deliver people not just precisely what they want but new and different ways of engaging the audience.

So we're going to just take you through some of what we've been working on. So we have -- we launched our new app this year. We've created a bit of a digital unit back in New York, trying to treat that as a startup, to a certain extent, independent of our traditional business. Have about a hundred people or so who focus just on that.

So just want to walk you through some of the early ideas we have for what customization and personalization can look like in the future. So go ahead. Let's start rolling that video.

This is the NBA app. So you see me up in the left-hand corner. It's personalized. You register through NBA ID. First thing we want to show you, this is something that we've been talking about for a long time. Again, this is always going to be in the context of a live telecast but where, for example, this year's All-Star festivities will be telecast in 60 languages to 214 countries and territories.

There's absolutely no reason, through IP protocol, that wherever you're watching the game anywhere in the United States, for example, you should be able to choose any of those languages, and they can be instantly synced to the broadcast.

And I'll just add, what's interesting, what we're going to be able to do in the future is that now -- they're essentially still all produced, many, some off site, off monitors, but it still requires a significant production operation. What you're going to be able to do in the future is that somebody is going to be able to call a game in a language, a dialect, or whatever else, essentially just off a phone, watching the game, and all that will be synced directly for the viewer.

So let's run through these languages now, give you a sense. So you can see there's the menu, you know, Spanish, Portuguese, et cetera.

So now we're going to take you, once you have the ability to do multiple different languages, you can then select an audio. Obviously, it doesn't have to necessarily be another language, it can be a celebrity or a different coach or someone else who you're interested in hearing call the game if you don't, for whatever reason, want to listen to the traditional play by play. So let's run through that now.

(Game playing in different voices.)

COMMISSIONER ADAM SILVER: When we asked John to do that, we assumed he'd be critical, and he was.

(Laughter.)

COMMISSIONER ADAM SILVER: So, now, so much discussion about betting and the opportunities there. Amazing, obviously, change in that since this Tech Summit began, particularly over the last five, six years or so. Legal in 33 states. Does not happen to be legal in this state, but we'll see at some point.

But right now, people, of course, it's a second screen experience for people. What we're looking to do is integrate those betting opportunities directly into the game. So, for example, run this here, you'll see -- this will look familiar to many in this room. Roll this.

So there you see it's a Jazz-Lakers game we're watching. You see betting screens on the left-hand column. Of course, there are other live games going on -- you can keep rolling it -- that are happening at the same time. So you'll have your selection of different opportunities.

Again, just as a reminder, most sports betting these days, not when I was a kid, is in-game and what they refer to as in-play. So people want that opportunity to watch the live game and then be wagering on various permutations as the game goes on.

Next category we're calling style. This is interesting. It's a way, maybe more appealing to younger viewers, to, in essence, change the backdrop around the game, so to get a different sensibility of the graphics. So, for example, we'll start with a sci-fi background that you'll be able to see here. Go ahead and roll that.

And then we did something sort of just referring to as cartoon, different sort of graphics there. Then we have a category of anime that we'll move to. I mean, the possibilities are unlimited. These are just some things we're playing with. This is the video game mode. I mean, it -- remember, though, this is live. So it's the same sort of experience you get in a video game, but you're seeing it this way.

The next one, which is really fascinating, and we got these ideas really from the virtual Zoom backgrounds that so many people are using now, and that is that you can take the game environment and, in essence, really beyond just changing the background, move it to another location.

So go ahead and roll this. Here we are in Utah, and if you want to change the atmosphere so it's the slopes in the background. And if you watch very closely, there's a little bit of snow coming down in the picture, and then -- our version of the Winter Classic, you don't have to go anywhere, do anything. You can even see -- on some of the players, you can see their breath in the cold there, right there.

Next, so, of course, our Basketball Africa League plays in Egypt, so if that's the setting that you're interested in seeing the game. And I'm not sure if they're sweating extra because it's hot. And then lastly we placed the game on the moon.

So, again, this is just a flavor of the future where using this live experience you can create so much more engaging action there.

The next feature we're going to show, more traditional one that we've been experimenting with for a long time, and that is taking advantage of all the different camera angles and in live mode letting people just choose the angles way want. This is now, you can see, starts with a standard play by play, but that's the slam cam, that's the one behind the basket. Move to the low slash, that's in sort of behind -- up in the corner of the court. Under basket.

And then I think the most interesting one is the 2K, we're calling it, the video game mode where through AI technology, in essence, you can place the camera anywhere on the court. And not surprisingly, it looks a lot like a video game in that mode.

The last mode I want to show you, which is to me the most fascinating one, is what we're calling the avatar mode. And this is this notion that in a live experience you can create an avatar of yourself or someone else and then place that character directly into the live game.

So I'm going to go back to my phone here. So first let's pull up the menu for avatar. All right. So here now, rather than scan myself, I'm going to take advantage of our annual host who's back again, Ahmad. Ahmad Rashad, please come out.

(Applause.)

COMMISSIONER ADAM SILVER: All right. Ahmad, so stand, kind of put your hands down this way a little bit.

AHMAD RASHAD: Is any of this going to hurt?

COMMISSIONER ADAM SILVER: No, no. All right. So this should come up. All right. So now I'm going to walk around you and just scan your body, all right?

AHMAD RASHAD: Yep.

COMMISSIONER ADAM SILVER: All right. That's an interesting shirt you wore today. Is that the one you're going to wear all morning?

(Laughter)

AHMAD RASHAD: We're in Utah. The Jazz wear purple.

COMMISSIONER ADAM SILVER: You used to wear a suit.

AHMAD RASHAD: So did the Vikings.

COMMISSIONER ADAM SILVER: All right. This is almost over. All right, hang in there. I got to step back just so I get your full body. Almost done. Almost done. People see you on the screen. Don't be so nervous.

AHMAD RASHAD: I'm nervous about you taking a step backwards. That'd be the end of it.

COMMISSIONER ADAM SILVER: All right. Smile for a second. All right. All right. All right.

AHMAD RASHAD: Painless.

COMMISSIONER ADAM SILVER: All right. I got it. All right. So now come over here. Let's look at the screen. So now we're going to go back just so you can see this. Go back into that mode now of where we're at in the app, and now the menu is going to come back up. And so, look, we've inserted you in the avatar selection.

And then see where the red that's going, you can choose different players. So then we're going to pick Horton Tucker. And then where Horton Tucker is, so this would be in a live game, you will be inserted into the game. You'll be making all the same movements he was, but it will look like it's your body.

AHMAD RASHAD: Does he have my skills?

COMMISSIONER ADAM SILVER: We'll see. All right. You ready?
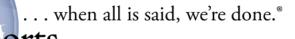
AHMAD RASHAD: Yep.

COMMISSIONER ADAM SILVER: All right. So go ahead and roll that. There's that shirt.

(Laughter.)

AHMAD RASHAD: Yeah. That's what I'm talking about. That's what I'm talking about.

(Laughter.)

COMMISSIONER ADAM SILVER: Where did you get the idea to stick your tongue out like that?

AHMAD RASHAD: Somebody copied me. You know.

COMMISSIONER ADAM SILVER: Looks like you've been lifting.

(Laughter.)

COMMISSIONER ADAM SILVER: That was incredible.

(Applause.)

AHMAD RASHAD: Wow.

COMMISSIONER ADAM SILVER: Thank you, Ahmad.

AHMAD RASHAD: Yeah. My gosh.

COMMISSIONER ADAM SILVER: So, remember, last year, for those that were here, we had a virtual coach that we were calling Coach Nat?

AHMAD RASHAD: The giant guy?

COMMISSIONER ADAM SILVER: The giant guy. Remember we had him coaching in Africa? We had President Obama on that Zoom call that was talking about Coach Nat. So there was one player, as you remember, came and talked to us about it afterwards, and said he, "I don't know if you guys were kidding around, but I've really been working on a virtual version of myself, and I'd love the opportunity to come to the Tech Summit and present it to everybody."

AHMAD RASHAD: Wow.

COMMISSIONER ADAM SILVER: Right? And that player, he happened to be -- now he's a four-time All-Star. He's the scoring leader in NBA right now, plays for the Dallas Mavericks, and he wanted to be here. So, Luka Doncic, come on out.

(Applause.)

AHMAD RASHAD: Luka.

COMMISSIONER ADAM SILVER: Hey, man.

LUKA DONCIC: How are you? Hey.

AHMAD RASHAD: Congrats. How are you doing? Good to see you.

COMMISSIONER ADAM SILVER: Congrats. You look great. All right. So I know you were familiar with what we

did last year with Coach Nat. You wanted to explain to people what you're working on. So tell us a little bit what's going on.

LUKA DONCIC: Yeah, it's called Luk.AI. I want to be one of the first guys to do this, a version of myself. And, you know, it's going to help a lot of the fans, interact with fans. It's going to be really fun.

COMMISSIONER ADAM SILVER: Is it sort of like the kind of AI bot where Ahmad and I could ask questions directly to him?

LUKA DONCIC: Yes, but you guys have to answer as the questions.

COMMISSIONER ADAM SILVER: Okay.

LUKA DONCIC: Activate Luk.AI.

AHMAD RASHAD: Wow. This dude is huge.

(Laughter.)

LUK.AI: Go big or go home.

(Laughter.)

COMMISSIONER ADAM SILVER: All right, Luk.AI, what are your thoughts about the NBA and the future of AI?

LUK.AI: I believe we will see it integrated into the sport, revolutionizing the way the game is played.

AHMAD RASHAD: Yeah, okay, but how do you do that?

LUKA DONCIC: I don't want to give away all my secrets.

LUK.AI: Unfortunately my programming doesn't allow me to answer that question.

AHMAD RASHAD: He was reading my mind because I want him to solve this GOAT thing.

LUKA DONCIC: Okay, Luk.AI, end program.

COMMISSIONER ADAM SILVER: All right.

(Applause.)

COMMISSIONER ADAM SILVER: That was pretty cool. Obviously, a work in progress. I'm glad you could show it to everybody. Actually, there was a big feature on you in the "The New York Times" yesterday that talked about your interest in chess and that how you were going to try to use

. . . when all is said, we're done.®

Luk.AI to play chess against fans. So will you talk a little bit about that?

LUKA DONCIC: Yeah, we're actually launching today on chess.com, and we're going to do more features with Jordan and Overich [phonetic] coming soon.

COMMISSIONER ADAM SILVER: That's incredible. Congratulations.

AHMAD RASHAD: I've got one more question. So can your guy beat my guy on one-on-one? Did you see me playing a minute ago? I just want to know, if it was a one-on-one match, how would I --

LUKA DONCIC: I don't think your guy stands a chance.

AHMAD RASHAD: You didn't see that dunk that I just had?

LUKA DONCIC: I saw it. Pretty nice.

COMMISSIONER ADAM SILVER: All right.

AHMAD RASHAD: All right.

COMMISSIONER ADAM SILVER: Thank you, man.

AHMAD RASHAD: Thanks, man.

LUKA DONCIC: Thank you.

(Applause.)

AHMAD RASHAD: Always good to see you.

LUKA DONCIC: Good to see you.

COMMISSIONER ADAM SILVER: Wow. It's all you, Ahmad.

AHMAD RASHAD: Okay. Good to see you guys, thanks. Well, Luka Doncic, Adam Silver.

(Applause.)

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